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SUBJECT: MEDIA REACTION; OBAMA'S DECISION TO ABANDON MISSILE DEFENSE  
SHIELD IN EUROPE; IMPACT OF THE ARGENTINE MEDIA DRAFT BILL ON  
WASHINGTON; ARGENTINE FOREIGN DEBT SWAP; 09/18/09; BUENOS AIRES

#### 11. SUMMARY STATEMENT

Today's most important international opinion pieces are focused on President Obama's decision to abandon the missile defense shield in Europe; the impact of the Argentine broadcasting draft legislation on Washington; as well as a proposal of foreign banks to Argentina for the country's debt swap reopening.

#### 12. OPINION PIECES AND EDITORIALS

- "Obama abandons Bush's controversial antimissile shield"

Daily-of-record "La Nacion" front-pages an opinion piece by its Washington-based correspondent Silvia Pisani, who writes (09/18) "In the largest rupture in the US defense policy of his predecessor, George W. Bush, President Barack Obama announced yesterday the end of the so-called 'anti-missile shield' in Eastern Europe, which was defended by the White House as a need to tame the 'Iranian threat.'"

"... It is an impressive turn with an impact on the Western defensive and diplomatic map, which was welcomed as a big triumph by Russia because the establishment of an anti-missile shield raised strong tension between Moscow and Washington.

"... Obama did point out that there will be another system to confront eventual missile threats. However, he pointed out that for this purpose they will use a technology that differs from that proposed by Bush and with a lesser cost.

"In a country going through economic recession and with deficit in its public accounts, the economic argument played a key role in the surprising notification. Nonetheless, in spite of this domestic wink, the debate has sparked amid the indignation of the Republican opponents due to what they believe is a 'risk' to the US safety.

"... Obama had said that it does not come down to abandoning the defense of the region but to replacing it by 'a new defensive architecture in Europe, which will bring better and more efficient results for the US and its NATO allies'. Nevertheless, analysts interpreted it as a clear gesture of strategic realignment in search of Russia's support to put a brake on Iran.

"Pentagon sources pointed out that the decision was based on intelligence information that Iran is now focused on the development of short and medium range missiles instead of the long-reach inter-continental missiles originally feared.

"From an economic point of view, it is a respite for the economies of Washington and Moscow, the two confronted actors ever since the downfall of the Berlin Street."

- "A struggle over Argentina's foreign debt swap"

Leading "Clarín" carries an op-ed piece by economic columnist Marcelo Bonelli, who writes (09/18) "Foreign banks made a counter-proposal to Argentina to have it reopen its foreign debt swap and avoid the loss of a 30-billion-dollar business..."

"'Clarín' confirmed that this week the committee of banks made up by the Citibank, Deutsche and Barclays officially notified to the Economy Ministry that it was willing to grant 'fresh money' - one billion dollars. However, they will do it on one condition - that the Government delivers the control on the reopening of the holdouts debt.

"In this way, bankers changed their initial position, which had engendered points of disagreement with Argentina.

"... The issue is not easy. The money offered by foreign banks is remarkably inferior to the amount they offered last year. Additionally, the Economy Minister would be tied to this trio of banks and would not solve its funding problem for next year - at least they need some five billion dollars.

"The issue could well be tackled at the G20 summit and during the Council of the Americas encounter, where CFK will question again the IMF past (in an old-fashioned critical statement) when world financial hubs only talk about the IMF future..."

"For the time being, Barack Obama will not receive Cristina Kirchner... The White House's detachment is due to the concrete questionings from the State Department and the Treasury Department to the Argentine Government.

"A confidential report prepared by two Treasury envoys to Buenos Aires is critical and questions the anti-business climate of the

Kirchner administration.

"Bill Block and William Lindquits met with businessmen and with Amado Boudou. In spite of the Economy Minister's pro-market talk, they had the impression that Argentina has strong mismatches and that the Government does nothing to correct them, except distorting the INDEC figures. They also concluded that Argentina is not fully taking advantage of the world financial rebound due to the Kirchner administration's confrontational attitude."

- "Questionings about the media draft bill have an impact even on Washington"

Ana Baron, leading "Clarín's" Washington-based correspondent, comments (09/18) "The Department of State refused to give an official opinion on the media draft bill approved by the Argentine Lower House. They said: 'It is an Argentine domestic issue.' However, the questionings on the issue had an impact yesterday in a meeting held by Argentine legislators, government officials and academics with the head of the Southern Cone Division of the Department of State and with former number two at the US Embassy in Buenos Aires, Milton Drucker..."

"After the meeting, one of the attending Argentines quoted Drucker that 'the US will never support something that does not honor the agreements reached.'

"According to the source, the USG officer said that 'any measure or legislation that implies an infringement on private property will have to be compensated and every draft bill should honor intellectual property rights. And if this is not the case, it will keep on fueling the idea that Argentina does not honor contracts, something that has scared away investors lately.'

"... After that, Drucker pointed out he had not said exactly that, but that he only spoke in general terms..."

"... It is not new that the US is concerned over Argentina not honoring contracts and over the climate of investment in the country..."

"Furthermore, the new US ambassador to Argentina Vilma Martinez held several meetings in Washington with former US diplomats, lobbyists,

businessmen and bankers with interests in Argentina, who complained about lack of clear rules, permanent infringement on contracts, lack of predictability and the problem posed by holdout bondholders."

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MARTINEZ